

McIVER'S GRANT PUBLIC LIBRARY  
FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
For the Fiscal Year Ended June 30, 2009

McIVER'S GRANT PUBLIC LIBRARY  
AUDIT REPORT  
For the Fiscal Year Ended June 30, 2009

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# JOE M. ENOCH & ASSOCIATES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Chairman and Members of the  
McIver's Grant Public Library Board  
Dyersburg, Tennessee

We have audited the accompanying financial statements of the governmental activities, the major fund, and the budgetary comparison statement of McIver's Grant Public Library as of and for the year ended June 30, 2009, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

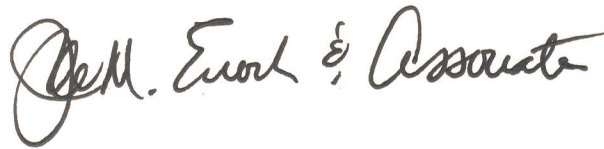
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the budgetary comparison statement of the Library as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2009 on our consideration of McIver's Grant Public Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Chairman and Members of the  
McIver's Grant Public Library Board  
Page 2

The management's discussion and analysis on pages 4 through 7 and schedule of federal awards on page 19 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Joe M. Enoch & Associates". The signature is written in a cursive, flowing style.

Dyersburg, Tennessee  
December 14, 2009

McIver's Grant Public Library  
Management Discussion and Analysis

We offer for your perusal our discussion and analysis of the Library's financial activities for the fiscal year 2008-2009 that ended June 30, 2009. It should be read with the financial statements and related footnote disclosures.

**Financial Highlights**

The assets of McIver's Grant Public Library exceeded liabilities at the close of the fiscal year by \$271,995. Net assets are the difference between assets and liabilities.

The Library's assets increased by \$14,914. Most of this increase in assets is due to the purchase of fixed assets during the year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the financial statements of McIver's Grant Public Library. The basic statements of financial activity consist of two components: Governmental general fund financial statements and notes to the financial statements. Other supplementary information is contained in the basic financial statements themselves. This year the Library only utilized the general fund as no funds were restricted or required to be accounted for separately.

Governmental activities are generally financed through the City of Dyersburg and Dyer County and other revenues.

## Condensed Financial Information

### Condensed statement of net assets

	6/30/2009	6/30/2008
Current Assets	\$ 90,467	\$ 93,093
Net fixed assets	183,623	166,083
Total Assets	<u>\$ 274,090</u>	<u>\$ 259,176</u>
Current Liabilities	\$ 2,095	\$ 2,753
Net assets invested in capital assets, net of related debt	183,623	166,083
Unrestricted net assets	<u>88,372</u>	<u>90,340</u>
Total liabilities and net assets	<u>\$ 274,090</u>	<u>\$ 259,176</u>

### Condensed statement of revenues, expenditures and changes in net assets

	6/30/2009	6/30/2008
Revenue from County & City	\$ 218,810	\$ 208,249
Fines and donations	8,885	9,288
Other revenue	17,314	6,764
Total revenue	<u>245,009</u>	<u>224,301</u>
Total general government expenditures	<u>246,977</u>	<u>213,272</u>
Change in net assets	(1,968)	11,029
Fund balance, beginning	90,340	79,311
Fund balance, ending	<u>\$ 88,372</u>	<u>\$ 90,340</u>

Current year compares favorably with prior year with the exception of general government expenditures.

## Notes to the Financial Statements

Notes provide additional information essential to a full understanding of data provided in the financial statements.

## Financial Analysis

Net assets may serve as a useful indicator of a government's financial position.

The remaining balance of unrestricted net assets may be used to meet ongoing obligations to citizens and creditors.

At the end of the current fiscal year, McIver's Grant Public Library is able to report a positive balance in net assets. A positive net asset from the previous year is also true. McIver's Grant Public Library uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At the close of the current fiscal year, the Library's governmental funds reported a net asset balance of \$271,995, an increase of \$15,572 in comparison with the previous year. \$88,372 of the net asset balance amount constitutes unrestricted fund balance, which is available for spending at the Library's discretion.

## Budget Analysis

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues			
Governmental appropriation	\$262,338	\$218,810	\$218,810
Fines and donations	6,000	8,885	8,885
Other	<u>5,494</u>	<u>11,582</u>	<u>17,314</u>
Total revenues	273,832	239,277	245,009
Total expenditures	<u>269,097</u>	<u>265,033</u>	<u>246,977</u>
Change in net assets	4,735	(25,756)	(1,968)

Revenues from other sources were slightly higher than anticipated this year. This includes revenue from the book sale the Library has every year.

Total budgeted expenditures originally estimated significantly higher books, supplies, salaries and capital outlay.

## Capital Assets

Investment in capital assets for its governmental activities as of June 30, 2009 amounted to \$183,623.

### **Economic Factors and Next Year's Budgets**

The Library is currently looking for a new location. The Board of Directors has not decided on whether or not building a structure from the ground up or occupying an existing structure is in the best interest of the Library. Funding by the City and County will probably remain frugal so our budget will reflect the same.

### **Request for information**

This financial report is designed to provide a general overview of McIver's Grant Public Library's finances. Questions concerning any of the information provided in this report per requests for additional financial information should be addressed to: McIver's Grant Public Library 204 N. Mill Ave. Dyersburg, TN 38024

McIVER'S GRANT PUBLIC LIBRARY  
Dyersburg, Tennessee  
STATEMENT OF NET ASSETS  
June 30, 2009

ASSETS

Current Assets		
Cash		\$ 21,092
Certificates of deposit		63,722
Prepaid expenses		5,038
Accrued interest receivable		615
Total Current Assets		<u>90,467</u>
Capital Assets		
Building	\$ 178,476	
Equipment	161,385	
Furniture & fixtures	14,397	
Books & periodicals	407,265	
Less: Accumulated depreciation	<u>(577,900)</u>	
Net Capital Assets		<u>183,623</u>
TOTAL ASSETS		<u>\$ 274,090</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable		\$ 2,095
Total Current Liabilities		<u>2,095</u>
Net Assets		
Invested in capital assets		183,623
Unrestricted net assets		88,372
Total Net Assets		<u>271,995</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 274,090</u>

See accompanying notes and accountant's report.

McIVERS GRANT PUBLIC LIBRARY  
Dyersburg, Tennessee  
STATEMENT OF ACTIVITIES  
June 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Capital Grants & Contributions	Primary Government Governmental Activities
Primary Government				
Government activities:				
General government	\$ 229,437	\$ -	\$ 218,810	\$ (10,627)
Total governmental activities	229,437	-	218,810	(10,627)
 Total Primary Government	 \$ 229,437	 \$ -	 \$ 218,810	 (10,627)
 General revenues				
Fines and donations				8,885
Interest				2,652
Miscellaneous				11,586
Sale of books				3,076
Total general revenues and transfers				26,199
Changes in net assets				15,572
Net assets - beginning				256,423
Net assets - ending				\$ 271,995

See accompanying notes and accountant's report.

McIVER'S GRANT PUBLIC LIBRARY  
Dyersburg, Tennessee  
BALANCE SHEET-GOVERNMENTAL FUND  
June 30, 2009

ASSETS

Current Assets	
Cash	\$ 21,092
Certificates of deposit	63,722
Prepaid expenses	5,038
Accrued interest receivable	<u>615</u>
 TOTAL ASSETS	 <u><u>\$ 90,467</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	\$ 2,095
Total Liabilities	<u>2,095</u>
 Fund Balance	 <u>88,372</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 90,467</u></u>

Amounts reported for governmental activities in the  
statement of net assets are different because:

Fund balance per balance sheet	\$ 88,372
 Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	 <u>183,623</u>
 Net assets of governmental activities	 <u><u>\$ 271,995</u></u>

See accompanying notes and accountant's report.

McIVER'S GRANT PUBLIC LIBRARY  
Dyersburg, Tennessee  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2009

Revenues	
Intergovernmental revenues	\$ 218,810
Fines & donations	8,885
Interest	2,652
Miscellaneous	11,586
Sale of books	3,076
Total Revenues	<u>245,009</u>
Expenditures	
Salaries	113,660
Books & periodicals	27,634
Janitorial services	4,284
Repairs & maintenance	7,216
Payroll taxes	9,080
Library supplies	3,243
Postage & freight	523
Utilities & phone	16,407
Insurance	25,686
Retirement	2,350
Professional services	1,675
Miscellaneous	5,208
Convention & dues	30
Capital Outlay	29,981
Total Expenditures	<u>246,977</u>
NET CHANGE IN FUND BALANCE	(1,968)
Fund Balance, July 1, 2008	<u>90,340</u>
Fund Balance, June 30, 2009	<u>\$ 88,372</u>

See accompanying notes and accountant's report.

McIVER'S GRANT PUBLIC LIBRARY  
Dyersburg, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities  
June 30, 2009

Amounts reported for governmental activities in the statement of activities (page 9) are different because:

Net change in fund balances-total governmental funds (page 11)	\$ (1,968)
In the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay, and capitalized books and periodicals exceeded depreciation.	17,540
Change in net assets of governmental activities (page 9)	<u>\$ 15,572</u>

See accompanying notes and accountant's report.

McIVER'S GRANT PUBLIC LIBRARY  
Dyersburg, Tennessee  
BUDGETARY COMPARISON STATEMENT  
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental Revenues	\$ 262,338	\$ 218,810	\$ 218,810	\$ -
Fines and donations	6,000	8,885	8,885	-
Interest	444	341	2,652	2,311
Miscellaneous	4,850	10,986	11,586	600
Sale of books	200	255	3,076	2,821
Total Revenues	<u>273,832</u>	<u>239,277</u>	<u>245,009</u>	<u>5,732</u>
<b>Expenditures</b>				
Salaries	127,362	118,302	113,660	4,642
Books & periodicals	31,650	36,896	27,634	9,262
Janitorial services	4,285	4,285	4,284	1
Repairs & maintenance	12,500	7,270	7,216	54
Payroll taxes	9,880	9,081	9,080	1
Library supplies	3,200	6,280	3,243	3,037
Postage & freight	850	523	523	-
Utilities & phone	20,000	16,410	16,407	3
Insurance	30,000	26,000	25,686	314
Retirement	-	-	2,350	(2,350)
Professional services	1,700	1,675	1,675	-
Miscellaneous	2,170	6,554	5,208	1,346
Convention & dues	500	500	30	470
Capital outlay	25,000	31,257	29,981	1,276
Total Expenditures	<u>269,097</u>	<u>265,033</u>	<u>246,977</u>	<u>18,056</u>
<b>CHANGE IN FUND BALANCE</b>	<u>4,735</u>	<u>(25,756)</u>	<u>(1,968)</u>	<u>23,788</u>
 Fund Balance, July 1, 2008	<u>90,340</u>	<u>90,340</u>	<u>90,340</u>	
 Fund Balance, June 30, 2009	<u>\$ 95,075</u>	<u>\$ 64,584</u>	<u>\$ 88,372</u>	<u>\$ 23,788</u>
 Budget basis		\$ (25,756)		
Revenue accruals		3		
Expenditure accruals		660		
GAAP basis		<u>\$ (25,093)</u>		

See accompanying notes and accountant's report.

McIVER'S GRANT PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies

The accounting policies followed by McIver's Grant Public Library conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Library's significant accounting policies are summarized as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Library has no business type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

McIVER'S GRANT PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Fiscal Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Books and records are maintained by the Library on a cash basis and are converted to the modified accrual basis as required for financial statement purposes.

The Library utilizes only one fund category (governmental) and one fund type (general) as no other resources of the Library are required to be accounted for in another fund.

Amounts reported as program revenues include operating grants and intergovernmental revenues. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all fines and miscellaneous revenues.

When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, then unrestricted resources as they are needed.

Budget

The Librarian submits an annual budget to the Library Board in accordance with the operating policy of the Library. In March, the Library Board adopts the annual fiscal year budget. Once approved, the Library Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. The budget is prepared on a cash basis. Revenues and expenditures are budgeted in the year the receipt or expense is expected.

The appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and character which constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions are subject to final review by the Library Board. Revisions to the budget were made during the year.

Capital Assets

Capital assets are recorded at cost or at estimated historical cost and depreciation is computed using the straight line method over the estimated useful lives of the assets. Construction period interest, if applicable, is capitalized in the cost of appropriate capital assets and then shown as part of the carrying value.

McIVER'S GRANT PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Fiscal Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments

Investments of the Library consist primarily of certificates of deposit at area banks. Investments are valued at cost. State statutes authorize the Library to invest in obligations of the United States Treasury, commercial paper, repurchase agreements, and the State Treasurer's Investment Pool, and certificate of deposit at state and federal chartered banks and savings and loans.

Vacation and Sick Leave Policies

The Library provides two weeks of paid vacation annually for its salaried librarians. After ten years of employment, an additional week of vacation will be accrued, and after twenty years an employee will be entitled to four weeks of vacation. The maximum accumulation of vacation time will be two weeks. An employee may receive compensation during the fiscal year for vacation time not used.

Salaried librarians accumulate one day of paid sick leave for each month of service up to a maximum of fifty days.

No payment will be made for unused vacation or sick leave upon separation.

Events Occurring After Reporting Date

The Library has evaluated events and transactions that occurred between June 30, 2009 and December 14, 2009, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Note 2 - Cash in Bank

The total amount of cash in bank for the Library at June 30, 2009, was \$84,814, all of which is insured by the Federal Deposit Insurance Corporation.

Note 3 - Capital Assets

In 1966, the building that is now the Library was renovated at a cost of \$130,000. The City of Dyersburg, Tennessee, and Dyer County, Tennessee, each contributed \$20,000 and individuals and businesses contributed \$25,000. These local funds were matched by \$65,000 of federal funds provided by the Federal Library Assistance Act.

McIVER'S GRANT PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Fiscal Year Ended June 30, 2009

A summary of general capital assets follows:

Capital Assets Being Depreciated	Balance July 1, 2008	Additions	Balance June 30, 2009
Building	\$ 148,495	\$ 29,981	\$ 178,476
Equipment	161,385	-	161,385
Furniture & Fixtures	14,397	-	14,397
Books & Periodicals	379,631	27,634	407,265
Total Capital Assets Being Depreciated	703,908	57,615	761,523
Less Accumulated Depreciation:			
Building	114,444	3,378	117,822
Equipment	141,708	6,742	148,450
Furniture & Fixtures	11,034	526	11,560
Books & Periodicals	270,639	29,429	300,068
Total Accumulated	537,825	40,075	577,900
Total Capital Assets Being Depreciated, Net	\$ 166,083	\$ 17,540	\$ 183,623

Note 4 - Contributions to Retirement Plan

Four full-time employees of the Library participate in the group retirement plan of Dyer County, Tennessee. The Group Annuity Contract was signed with The Travelers Insurance Company and became effective on September 1, 1975. The Plan requires employee contributions of at least 2 1/2% of gross salary to be eligible for Library contributions of 2 1/2%. The Library has contributed a 2 1/2% match of \$2,259 for the year ended June 30, 2009.

Note 5 - Joint Venture Between City of Dyersburg, Tennessee and Dyer County, Tennessee

McIver's Grant Public Library is a joint venture with the City of Dyersburg, Tennessee, and Dyer County, Tennessee, each providing almost equal funding towards the operations of the Library. The fourteen member Board consists of seven members appointed by each government. Each governmental entity has a 50% share in the net assets of the Library.

Note 6 - Economic Dependency

The Library is economically dependent upon local government as approximately 85-90 percent of the Library's revenue comes from the City and County appropriations.

Note 7 - Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

McIVER'S GRANT PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Fiscal Year Ended June 30, 2009

Note 8 - Risk Management

The Library manages the various types of risk that apply through the use of commercial insurance. The Library insures against the risk of loss of property. There were no settlements in excess of insurance coverage in any of the past three years.

McIVER'S GRANT PUBLIC LIBRARY  
Dyersburg, Tennessee  
SCHEDULE OF FEDERAL AWARDS  
For the Year Ended June 30, 2009

<u>CFDA Number</u>	<u>Programs</u>	<u>Grant #</u>	<u>Balance 7/1/08</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Balance 6/30/09</u>
<u>Tennessee Department of State</u>						
N/A	Community Enhancement Grant	N/A	\$ 2,000	\$ -	\$ 2,000	\$ -

See accompanying notes and accountant's report.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Chairman and Members of the  
McIver's Grant Public Library Board  
Dyersburg, Tennessee

In planning and performing our audit of the financial statements of McIver's Grant Public Library as of and for the year end June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered McIver's Grant Public Library's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the McIver's Grant Public Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the McIver's Grant Public Library's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiencies described in the accompanying schedule of findings, recommendations and responses to be significant deficiencies in internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control. We consider the deficiencies described in the accompanying schedule of findings, recommendations and responses constitute material weaknesses.

This communication is intended solely for the information and use of management, the audit committee, the board of directors, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Dyersburg, Tennessee  
December 14, 2009



McIVER'S GRANT PUBLIC LIBRARY  
Dyersburg, Tennessee  
SCHEDULE OF FINDINGS, RECOMMENDATIONS AND RESPONSES  
June 30, 2009

Finding

The following is a current year finding.

The person responsible for the accounting and reporting function lacks the skill and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.

Recommendation

The person responsible for the accounting and reporting function should endeavor to acquire the necessary skills and knowledge.

Management Response

We concur, however, acquiring additional staff with those skills would not be the most efficient use of our limited resources.

Finding

The following was a prior year finding.

Due to practical limitations in the size of the accounting staff, adequate segregation of duties is not present in the Library's internal control structure. During the year the Board took an active interest in the financial transactions of the organization by reviewing detail transactions on a regular basis.

Recommendation

Management and the Board need to continue their efforts in complying with the control procedures that are in place to insure that transactions are properly documented and approved. The Board should continue to take an active interest in the financial transactions of the organization by reviewing detail transactions on a regular basis.

Management Response

We concur.